
HOUSE BILL 3083

State of Washington

56th Legislature

2000 Regular Session

By Representatives Pflug, Parlette, Barlean, G. Chandler, Thomas, Mulliken and Fortunato

Read first time 01/27/2000. Referred to Committee on Appropriations.

1 AN ACT Relating to moneys from the tobacco settlement; amending RCW
2 43.79.480; reenacting and amending RCW 43.84.092, 43.84.092, and
3 43.84.092; providing effective dates; and providing an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 43.79.480 and 1999 c 309 s 927 are each amended to
6 read as follows:

7 (1) Moneys received by the state of Washington in accordance with
8 the settlement of the state's legal action against tobacco product
9 manufacturers, exclusive of costs and attorneys' fees, shall be
10 deposited in the tobacco settlement account created in this section.

11 (2) The tobacco settlement account is created in the state
12 treasury. Moneys in the tobacco settlement account may only be
13 transferred to the (~~health services account for the purposes set forth~~
14 ~~in RCW 43.72.900,~~) long-term care account for purposes set forth in
15 this section and to the tobacco prevention and control account for
16 purposes set forth in this section.

17 (3) The long-term care account is created in the state treasury.
18 The source of revenue for this account is moneys transferred to the
19 account from the tobacco settlement account, investment earnings,

1 donations to the account, and other revenues as directed by law.
2 Expenditures from the account are subject to appropriation, and are
3 limited to the purpose of providing long-term care services to the
4 elderly, persons with developmental disabilities, and persons with
5 mental illness.

6 (4) The tobacco prevention and control account is created in the
7 state treasury. The source of revenue for this account is moneys
8 transferred to the account from the tobacco settlement account,
9 investment earnings, donations to the account, and other revenues as
10 directed by law. Expenditures from the account are subject to
11 appropriation.

12 ~~((4))~~ (5) The state treasurer shall transfer ~~((one hundred~~
13 ~~million dollars))~~, upon receipt, ninety-five percent of moneys from the
14 tobacco settlement account to the long-term care account and five
15 percent of moneys from the tobacco settlement account to the tobacco
16 prevention and control account ~~((upon authorization of the director of~~
17 ~~financial management. The director shall authorize transfer of the~~
18 ~~total amount by June 30, 2001))~~.

19 (6) On the effective date of this section, the state treasurer
20 shall transfer ninety-five percent of any balance in the tobacco
21 settlement account to the long-term care account and five percent of
22 any balance in the tobacco settlement account to the tobacco prevention
23 and control account.

24 **Sec. 2.** RCW 43.84.092 and 1999 c 380 s 8, 1999 c 309 s 928, 1999
25 c 268 s 4, and 1999 c 94 s 2 are each reenacted and amended to read as
26 follows:

27 (1) All earnings of investments of surplus balances in the state
28 treasury shall be deposited to the treasury income account, which
29 account is hereby established in the state treasury.

30 (2) The treasury income account shall be utilized to pay or receive
31 funds associated with federal programs as required by the federal cash
32 management improvement act of 1990. The treasury income account is
33 subject in all respects to chapter 43.88 RCW, but no appropriation is
34 required for refunds or allocations of interest earnings required by
35 the cash management improvement act. Refunds of interest to the
36 federal treasury required under the cash management improvement act
37 fall under RCW 43.88.180 and shall not require appropriation. The
38 office of financial management shall determine the amounts due to or

1 from the federal government pursuant to the cash management improvement
2 act. The office of financial management may direct transfers of funds
3 between accounts as deemed necessary to implement the provisions of the
4 cash management improvement act, and this subsection. Refunds or
5 allocations shall occur prior to the distributions of earnings set
6 forth in subsection (4) of this section.

7 (3) Except for the provisions of RCW 43.84.160, the treasury income
8 account may be utilized for the payment of purchased banking services
9 on behalf of treasury funds including, but not limited to, depository,
10 safekeeping, and disbursement functions for the state treasury and
11 affected state agencies. The treasury income account is subject in all
12 respects to chapter 43.88 RCW, but no appropriation is required for
13 payments to financial institutions. Payments shall occur prior to
14 distribution of earnings set forth in subsection (4) of this section.

15 (4) Monthly, the state treasurer shall distribute the earnings
16 credited to the treasury income account. The state treasurer shall
17 credit the general fund with all the earnings credited to the treasury
18 income account except:

19 (a) The following accounts and funds shall receive their
20 proportionate share of earnings based upon each account's and fund's
21 average daily balance for the period: The capitol building
22 construction account, the Cedar River channel construction and
23 operation account, the Central Washington University capital projects
24 account, the charitable, educational, penal and reformatory
25 institutions account, the common school construction fund, the county
26 criminal justice assistance account, the county sales and use tax
27 equalization account, the data processing building construction
28 account, the deferred compensation administrative account, the deferred
29 compensation principal account, the department of retirement systems
30 expense account, the drinking water assistance account, the Eastern
31 Washington University capital projects account, the education
32 construction fund, the emergency reserve fund, the federal forest
33 revolving account, the health services account, the public health
34 services account, the health system capacity account, the personal
35 health services account, the state higher education construction
36 account, the higher education construction account, the highway
37 infrastructure account, the industrial insurance premium refund
38 account, the judges' retirement account, the judicial retirement
39 administrative account, the judicial retirement principal account, the

1 local leasehold excise tax account, the local real estate excise tax
2 account, the local sales and use tax account, the long-term care
3 account, the medical aid account, the mobile home park relocation fund,
4 the municipal criminal justice assistance account, the municipal sales
5 and use tax equalization account, the natural resources deposit
6 account, the perpetual surveillance and maintenance account, the public
7 employees' retirement system plan 1 account, the public employees'
8 retirement system plan 2 account, the Puyallup tribal settlement
9 account, the resource management cost account, the site closure
10 account, the special wildlife account, the state employees' insurance
11 account, the state employees' insurance reserve account, the state
12 investment board expense account, the state investment board commingled
13 trust fund accounts, the supplemental pension account, the teachers'
14 retirement system plan 1 account, the teachers' retirement system plan
15 2 account, the tobacco prevention and control account, the tobacco
16 settlement account, the transportation infrastructure account, the
17 tuition recovery trust fund, the University of Washington bond
18 retirement fund, the University of Washington building account, the
19 volunteer fire fighters' and reserve officers' relief and pension
20 principal ((~~account~~)) fund, the volunteer fire fighters' ((~~relief and~~
21 ~~pension~~)) and reserve officers' administrative ((~~account~~)) fund, the
22 Washington judicial retirement system account, the Washington law
23 enforcement officers' and fire fighters' system plan 1 retirement
24 account, the Washington law enforcement officers' and fire fighters'
25 system plan 2 retirement account, the Washington state patrol
26 retirement account, the Washington State University building account,
27 the Washington State University bond retirement fund, the water
28 pollution control revolving fund, and the Western Washington University
29 capital projects account. Earnings derived from investing balances of
30 the agricultural permanent fund, the normal school permanent fund, the
31 permanent common school fund, the scientific permanent fund, and the
32 state university permanent fund shall be allocated to their respective
33 beneficiary accounts. All earnings to be distributed under this
34 subsection (4)(a) shall first be reduced by the allocation to the state
35 treasurer's service fund pursuant to RCW 43.08.190.

36 (b) The following accounts and funds shall receive eighty percent
37 of their proportionate share of earnings based upon each account's or
38 fund's average daily balance for the period: The aeronautics account,
39 the aircraft search and rescue account, the county arterial

1 preservation account, the department of licensing services account, the
2 essential rail assistance account, the ferry bond retirement fund, the
3 grade crossing protective fund, the high capacity transportation
4 account, the highway bond retirement fund, the highway safety account,
5 the marine operating fund, the motor vehicle fund, the motorcycle
6 safety education account, the pilotage account, the public
7 transportation systems account, the Puget Sound capital construction
8 account, the Puget Sound ferry operations account, the recreational
9 vehicle account, the rural arterial trust account, the safety and
10 education account, the special category C account, the state patrol
11 highway account, the transportation equipment fund, the transportation
12 fund, the transportation improvement account, the transportation
13 improvement board bond retirement account, and the urban arterial trust
14 account.

15 (5) In conformance with Article II, section 37 of the state
16 Constitution, no treasury accounts or funds shall be allocated earnings
17 without the specific affirmative directive of this section.

18 **Sec. 3.** RCW 43.84.092 and 1999 c 380 s 8, 1999 c 309 s 928, 1999
19 c 268 s 4, 1999 c 94 s 3, and 1999 c 94 s 2 are each reenacted and
20 amended to read as follows:

21 (1) All earnings of investments of surplus balances in the state
22 treasury shall be deposited to the treasury income account, which
23 account is hereby established in the state treasury.

24 (2) The treasury income account shall be utilized to pay or receive
25 funds associated with federal programs as required by the federal cash
26 management improvement act of 1990. The treasury income account is
27 subject in all respects to chapter 43.88 RCW, but no appropriation is
28 required for refunds or allocations of interest earnings required by
29 the cash management improvement act. Refunds of interest to the
30 federal treasury required under the cash management improvement act
31 fall under RCW 43.88.180 and shall not require appropriation. The
32 office of financial management shall determine the amounts due to or
33 from the federal government pursuant to the cash management improvement
34 act. The office of financial management may direct transfers of funds
35 between accounts as deemed necessary to implement the provisions of the
36 cash management improvement act, and this subsection. Refunds or
37 allocations shall occur prior to the distributions of earnings set
38 forth in subsection (4) of this section.

1 (3) Except for the provisions of RCW 43.84.160, the treasury income
2 account may be utilized for the payment of purchased banking services
3 on behalf of treasury funds including, but not limited to, depository,
4 safekeeping, and disbursement functions for the state treasury and
5 affected state agencies. The treasury income account is subject in all
6 respects to chapter 43.88 RCW, but no appropriation is required for
7 payments to financial institutions. Payments shall occur prior to
8 distribution of earnings set forth in subsection (4) of this section.

9 (4) Monthly, the state treasurer shall distribute the earnings
10 credited to the treasury income account. The state treasurer shall
11 credit the general fund with all the earnings credited to the treasury
12 income account except:

13 (a) The following accounts and funds shall receive their
14 proportionate share of earnings based upon each account's and fund's
15 average daily balance for the period: The capitol building
16 construction account, the Cedar River channel construction and
17 operation account, the Central Washington University capital projects
18 account, the charitable, educational, penal and reformatory
19 institutions account, the common school construction fund, the county
20 criminal justice assistance account, the county sales and use tax
21 equalization account, the data processing building construction
22 account, the deferred compensation administrative account, the deferred
23 compensation principal account, the department of retirement systems
24 expense account, the drinking water assistance account, the Eastern
25 Washington University capital projects account, the education
26 construction fund, the emergency reserve fund, the federal forest
27 revolving account, the health services account, the public health
28 services account, the health system capacity account, the personal
29 health services account, the state higher education construction
30 account, the higher education construction account, the highway
31 infrastructure account, the industrial insurance premium refund
32 account, the judges' retirement account, the judicial retirement
33 administrative account, the judicial retirement principal account, the
34 local leasehold excise tax account, the local real estate excise tax
35 account, the local sales and use tax account, the long-term care
36 account, the medical aid account, the mobile home park relocation fund,
37 the municipal criminal justice assistance account, the municipal sales
38 and use tax equalization account, the natural resources deposit
39 account, the perpetual surveillance and maintenance account, the public

1 employees' retirement system plan 1 account, the public employees'
2 retirement system plan 2 account, the Puyallup tribal settlement
3 account, the resource management cost account, the site closure
4 account, the special wildlife account, the state employees' insurance
5 account, the state employees' insurance reserve account, the state
6 investment board expense account, the state investment board commingled
7 trust fund accounts, the supplemental pension account, the teachers'
8 retirement system plan 1 account, the teachers' retirement system plan
9 2 account, the tobacco prevention and control account, the tobacco
10 settlement account, the transportation infrastructure account, the
11 tuition recovery trust fund, the University of Washington bond
12 retirement fund, the University of Washington building account, the
13 volunteer fire fighters' and reserve officers' relief and pension
14 principal ((~~account~~)) fund, the volunteer fire fighters' ((~~relief and~~
15 ~~pension~~)) and reserve officers' administrative ((~~account~~)) fund, the
16 Washington judicial retirement system account, the Washington law
17 enforcement officers' and fire fighters' system plan 1 retirement
18 account, the Washington law enforcement officers' and fire fighters'
19 system plan 2 retirement account, the Washington state patrol
20 retirement account, the Washington State University building account,
21 the Washington State University bond retirement fund, the water
22 pollution control revolving fund, and the Western Washington University
23 capital projects account. Earnings derived from investing balances of
24 the agricultural permanent fund, the normal school permanent fund, the
25 permanent common school fund, the scientific permanent fund, and the
26 state university permanent fund shall be allocated to their respective
27 beneficiary accounts. All earnings to be distributed under this
28 subsection (4)(a) shall first be reduced by the allocation to the state
29 treasurer's service fund pursuant to RCW 43.08.190.

30 (b) The following accounts and funds shall receive eighty percent
31 of their proportionate share of earnings based upon each account's or
32 fund's average daily balance for the period: The aeronautics account,
33 the aircraft search and rescue account, the county arterial
34 preservation account, the department of licensing services account, the
35 essential rail assistance account, the ferry bond retirement fund, the
36 grade crossing protective fund, the high capacity transportation
37 account, the highway bond retirement fund, the highway safety account,
38 the motor vehicle fund, the motorcycle safety education account, the
39 pilotage account, the public transportation systems account, the Puget

1 Sound capital construction account, the Puget Sound ferry operations
2 account, the recreational vehicle account, the rural arterial trust
3 account, the safety and education account, the special category C
4 account, the state patrol highway account, the transportation equipment
5 fund, the transportation fund, the transportation improvement account,
6 the transportation improvement board bond retirement account, and the
7 urban arterial trust account.

8 (5) In conformance with Article II, section 37 of the state
9 Constitution, no treasury accounts or funds shall be allocated earnings
10 without the specific affirmative directive of this section.

11 **Sec. 4.** RCW 43.84.092 and 1999 c 380 s 9, 1999 c 309 s 929, 1999
12 c 268 s 5, and 1999 c 94 s 4 are each reenacted and amended to read as
13 follows:

14 (1) All earnings of investments of surplus balances in the state
15 treasury shall be deposited to the treasury income account, which
16 account is hereby established in the state treasury.

17 (2) The treasury income account shall be utilized to pay or receive
18 funds associated with federal programs as required by the federal cash
19 management improvement act of 1990. The treasury income account is
20 subject in all respects to chapter 43.88 RCW, but no appropriation is
21 required for refunds or allocations of interest earnings required by
22 the cash management improvement act. Refunds of interest to the
23 federal treasury required under the cash management improvement act
24 fall under RCW 43.88.180 and shall not require appropriation. The
25 office of financial management shall determine the amounts due to or
26 from the federal government pursuant to the cash management improvement
27 act. The office of financial management may direct transfers of funds
28 between accounts as deemed necessary to implement the provisions of the
29 cash management improvement act, and this subsection. Refunds or
30 allocations shall occur prior to the distributions of earnings set
31 forth in subsection (4) of this section.

32 (3) Except for the provisions of RCW 43.84.160, the treasury income
33 account may be utilized for the payment of purchased banking services
34 on behalf of treasury funds including, but not limited to, depository,
35 safekeeping, and disbursement functions for the state treasury and
36 affected state agencies. The treasury income account is subject in all
37 respects to chapter 43.88 RCW, but no appropriation is required for

1 payments to financial institutions. Payments shall occur prior to
2 distribution of earnings set forth in subsection (4) of this section.

3 (4) Monthly, the state treasurer shall distribute the earnings
4 credited to the treasury income account. The state treasurer shall
5 credit the general fund with all the earnings credited to the treasury
6 income account except:

7 (a) The following accounts and funds shall receive their
8 proportionate share of earnings based upon each account's and fund's
9 average daily balance for the period: The capitol building
10 construction account, the Cedar River channel construction and
11 operation account, the Central Washington University capital projects
12 account, the charitable, educational, penal and reformatory
13 institutions account, the common school construction fund, the county
14 criminal justice assistance account, the county sales and use tax
15 equalization account, the data processing building construction
16 account, the deferred compensation administrative account, the deferred
17 compensation principal account, the department of retirement systems
18 expense account, the drinking water assistance account, the Eastern
19 Washington University capital projects account, the education
20 construction fund, the emergency reserve fund, the federal forest
21 revolving account, the health services account, the public health
22 services account, the health system capacity account, the personal
23 health services account, the higher education construction account, the
24 highway infrastructure account, the industrial insurance premium refund
25 account, the judges' retirement account, the judicial retirement
26 administrative account, the judicial retirement principal account, the
27 local leasehold excise tax account, the local real estate excise tax
28 account, the local sales and use tax account, the long-term care
29 account, the medical aid account, the mobile home park relocation fund,
30 the municipal criminal justice assistance account, the municipal sales
31 and use tax equalization account, the natural resources deposit
32 account, the perpetual surveillance and maintenance account, the public
33 employees' retirement system plan 1 account, the public employees'
34 retirement system plan 2 account, the Puyallup tribal settlement
35 account, the resource management cost account, the site closure
36 account, the special wildlife account, the state employees' insurance
37 account, the state employees' insurance reserve account, the state
38 higher education construction account, the state investment board
39 expense account, the state investment board commingled trust fund

1 accounts, the supplemental pension account, the teachers' retirement
2 system plan 1 account, the teachers' retirement system combined plan 2
3 and plan 3 account, the tobacco prevention and control account, the
4 tobacco settlement account, the transportation infrastructure account,
5 the tuition recovery trust fund, the University of Washington bond
6 retirement fund, the University of Washington building account, the
7 volunteer fire fighters' and reserve officers' relief and pension
8 principal ~~((account))~~ fund, the volunteer fire fighters' ~~((relief and~~
9 ~~pension))~~ and reserve officers' administrative ~~((account))~~ fund, the
10 Washington judicial retirement system account, the Washington law
11 enforcement officers' and fire fighters' system plan 1 retirement
12 account, the Washington law enforcement officers' and fire fighters'
13 system plan 2 retirement account, the Washington school employees'
14 retirement system combined plan 2 and 3 account, the Washington state
15 patrol retirement account, the Washington State University building
16 account, the Washington State University bond retirement fund, the
17 water pollution control revolving fund, and the Western Washington
18 University capital projects account. Earnings derived from investing
19 balances of the agricultural permanent fund, the normal school
20 permanent fund, the permanent common school fund, the scientific
21 permanent fund, and the state university permanent fund shall be
22 allocated to their respective beneficiary accounts. All earnings to be
23 distributed under this subsection (4)(a) shall first be reduced by the
24 allocation to the state treasurer's service fund pursuant to RCW
25 43.08.190.

26 (b) The following accounts and funds shall receive eighty percent
27 of their proportionate share of earnings based upon each account's or
28 fund's average daily balance for the period: The aeronautics account,
29 the aircraft search and rescue account, the county arterial
30 preservation account, the department of licensing services account, the
31 essential rail assistance account, the ferry bond retirement fund, the
32 grade crossing protective fund, the high capacity transportation
33 account, the highway bond retirement fund, the highway safety account,
34 the motor vehicle fund, the motorcycle safety education account, the
35 pilotage account, the public transportation systems account, the Puget
36 Sound capital construction account, the Puget Sound ferry operations
37 account, the recreational vehicle account, the rural arterial trust
38 account, the safety and education account, the special category C
39 account, the state patrol highway account, the transportation equipment

1 fund, the transportation fund, the transportation improvement account,
2 the transportation improvement board bond retirement account, and the
3 urban arterial trust account.

4 (5) In conformance with Article II, section 37 of the state
5 Constitution, no treasury accounts or funds shall be allocated earnings
6 without the specific affirmative directive of this section.

7 NEW SECTION. **Sec. 5.** Sections 2 and 3 of this act expire
8 September 1, 2000.

9 NEW SECTION. **Sec. 6.** (1) Section 3 of this act takes effect July
10 1, 2000.

11 (2) Section 4 of this act takes effect September 1, 2000.

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